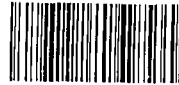


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FEB 28 2023

**ANNUAL REPORTS  
FORM X-17A-5  
PART III**

SEC FILE NUMBER
8-26901

Washington, DC

**FACING PAGE**

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/22 AND ENDING 12/31/22  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF FIRM: CNL SECURITIES CORP.

TYPE OF REGISTRANT (check all applicable boxes):

- Broker-dealer
- Security-based swap dealer
- Major security-based swap participant
- Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

450 SOUTH ORANGE AVE

(No. and Street)

ORLANDO

FL

32801

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

TRACY TURNER

407-540-2707

tracy.turner@cnl.com

(Name)

(Area Code - Telephone Number)

(Email Address)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing\*

GRANT THORNTON LLP

(Name - if individual, state last, first, and middle name)

5955 T.G. LEE BLVD, SUITE 200

ORLANDO

FL

32822

(Address)

(City)

(State)

(Zip Code)

9/24/2003

248

(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

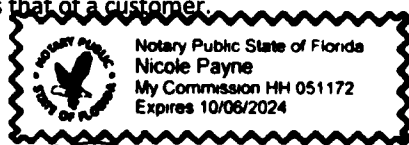
**FOR OFFICIAL USE ONLY**

\* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, TRACY TURNER, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of CNL SECURITES CORP., as of DECEMBER 31, 2 022, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



[Signature]  
Notary Public

Signature: Tracy J Turner  
Title: FINANCIAL OPERATIONS PRINCIPAL

This filing\*\* contains (check all applicable boxes):

- (a) Statement of financial condition.
- (b) Notes to consolidated statement of financial condition.
- (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- (d) Statement of cash flows.
- (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- (f) Statement of changes in liabilities subordinated to claims of creditors.
- (g) Notes to consolidated financial statements.
- (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (t) Independent public accountant's report based on an examination of the statement of financial condition.
- (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- (z) Other: \_\_\_\_\_


\*\*To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

Financial Statements, Supplemental Schedules and  
Report of Independent Registered Public Accounting  
Firm

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial  
Group, Inc.)**

December 31, 2022

United States  
Securities and Exchange Commission  
Washington, D.C.  
Annual Audited Report  
Form X-17A-5 Part III  
Year Ended December 31, 2022



Financial Statements, Supplemental Information  
and Report of Independent Registered Public  
Accounting Firm

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL  
Financial Group, Inc.)**

December 31, 2022

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

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**GRANT THORNTON LLP**  
5955 T.G. Lee Boulevard, Suite 200  
Orlando, FL 32822

**D** +1 407 481 5100  
**F** +1 407 481 5190

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder  
CNL Securities Corp.

### **Opinion on the financial statements**

We have audited the accompanying statement of financial condition of CNL Securities Corp. (a Florida corporation) (the "Company") as of December 31, 2022, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements") that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.



Grant Thornton

**Supplemental information**

The information contained in Schedules I and II has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Such supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in Schedules I and II. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, the supplemental information referred to above is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Grant Thornton LLP*

We have served as the Company's auditor since 2007.

Orlando, Florida  
February 24, 2023

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Statement of Financial Condition** *(in thousands, except per share and share data)*

**December 31, 2022**

---

<u>Assets</u>	
Cash	\$ 2,191
Prepaid expenses and other assets	215
Accounts receivable – related parties	84
Property and equipment – net	6
Total assets	<u>\$ 2,496</u>

Liabilities and Stockholder's Equity

**Liabilities:**

Accounts payable and accrued liabilities	\$ 849
Commissions payable to brokers and dealers	515
Due to parent	62
Total liabilities	<u>1,426</u>

**Commitments and Contingencies (Notes F, G and H)**

**Stockholder's equity:**

Common stock – 100 shares authorized; par value \$1.00 per share; 100 shares issued and outstanding	-
Additional paid-in capital	216,765
Accumulated deficit	(215,695)
Total stockholder's equity	<u>1,070</u>
Total liabilities and stockholder's equity	<u>\$ 2,496</u>

The accompanying notes are an integral part of this financial statement.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Statement of Operations** *(in thousands)*

**For the Year Ended December 31, 2022**

---

**Revenues:**

Commissions and fees	\$ 3,536
Total revenues	<u>3,536</u>

**Expenses:**

Commissions expense to brokers and dealers	3,975
Commissions expense to employees	2,514
Selling expenses	2,913
Salaries and benefits	6,684
General and administrative expenses	2,753
Total expenses	<u>18,839</u>

Net loss	<u>\$ (15,303)</u>
----------	--------------------

The accompanying notes are an integral part of this financial statement.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Statement of Changes in Stockholder's Equity (*in thousands*)**

**For the Year Ended December 31, 2022**

---

	<b>Common Stock</b>	<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Total</b>
<b>Balance, January 1, 2022</b>	\$ -	\$ 202,165	\$ (200,392)	\$ 1,773
Net loss	-	-	(15,303)	(15,303)
Capital contributions from parent	-	14,600	-	14,600
<b>Balance, December 31, 2022</b>	<u>\$ -</u>	<u>\$ 216,765</u>	<u>\$ (215,695)</u>	<u>\$ 1,070</u>

The accompanying notes are an integral part of this financial statement.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Statement of Cash Flows (*in thousands*)**  
**For the Year Ended December 31, 2022**

---

**Cash flows from operating activities:**

Net loss	\$ (15,303)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	15
Changes in operating assets and liabilities:	
Accounts receivable – related parties	(31)
Prepaid expenses and other assets	(37)
Accounts payable and accrued liabilities	250
Commissions payable to brokers and dealers	151
Due to parent	(119)
Net cash used in operating activities	<u>(15,074)</u>

**Cash flows from investing activities:**

Purchases of property and equipment	<u>(2)</u>
Net cash used in investing activities	<u>(2)</u>

**Cash flows from financing activities:**

Capital contributions from parent	<u>14,600</u>
Net cash provided by financing activities	<u>14,600</u>

Net decrease in cash	(476)
Cash at beginning of year	<u>2,667</u>
Cash at end of year	<u>\$ 2,191</u>

The accompanying notes are an integral part of this financial statement.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Notes to Financial Statements (*in thousands*)**

**For the Year Ended December 31, 2022**

---

**Note A – Organization and Summary of Significant Accounting Policies**

**Organization and Business Activity:**

CNL Securities Corp. (the Company) is a Florida Corporation and is a wholly-owned subsidiary of CNL Financial Group, Inc. (CFG), which is a wholly-owned subsidiary of CFG I, Inc. (CFG I). The Company is a registered broker-dealer with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority (FINRA). The Company serves as the broker-dealer for the sale of shares in publicly registered, nontraded offerings as well as private placements (the offerings). Commissions and fees are generated from the sale of these shares. The Company's operations are based in Orlando, Florida.

The Company's accounting policies are in conformity with accounting principles generally accepted in the United States of America and reflect practices appropriate to brokers and dealers in the securities industry in the United States of America.

**Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value of Financial Instruments:**

The carrying amount of cash, accounts receivable – related parties, accounts payable and accrued liabilities, due to parent and commissions payable to brokers and dealers approximate fair value because of the short-term maturity of these items.

**Revenue Recognition:**

Commissions and fees are charged on each broker-dealer transaction at the date the investor is admitted as a shareholder. The commissions and fees and related expenses from the sale of shares of the offerings are recognized as revenue and expense when earned and are recorded on the date the investor is admitted as a shareholder.

For certain share classes, in addition to upfront commissions and dealer manager fees, ongoing distribution and shareholder servicing fees are charged on each broker-dealer transaction. The upfront commissions and fees are charged and recorded at the date the investor is admitted as a shareholder. The performance obligation is satisfied on this date because that is when the pricing is agreed upon and the risks and rewards of ownership transfer to the purchaser. The ongoing distribution and shareholder servicing fees are charged monthly in arrears. Revenue is recognized monthly as that is when the fee is determinable, and the performance obligations have been completed.

**Cash:**

Cash includes cash on hand and deposits held with banks, money market funds and all highly liquid financial instruments with an original maturity of three months or less when purchased.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Notes to Financial Statements (*in thousands*)**

**For the Year Ended December 31, 2022**

---

**Accounts Receivable – Related Parties:**

The Company regularly evaluates all accounts receivable and estimates losses for uncollectible accounts based on current expected credit losses, including reviewing historical experience and the evaluation of the likelihood of success in collecting specific receivables. If management believes an amount will not be collected, it is charged to expense. There were no amounts written off during the year ended December 31, 2022.

**Property and Equipment:**

Property and equipment is stated at cost less accumulated depreciation and amortization. Major renewals and betterments are recorded as property and equipment while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed currently. Gain or loss on retirement or disposal of an individual asset is recorded currently as income or expense. Depreciation is computed beginning on the date the asset is placed into service using the straight-line method over the following estimated lives:

	<u>Years</u>
Office furnishings, fixtures and equipment	5-7
Computer software and hardware	3-5

**Income Taxes:**

Effective January 1, 2007, CFG I elected to be treated for tax purposes as a subchapter S corporation under the Internal Revenue Code (IRC). In conjunction with this election, the Company became a qualified subchapter S subsidiary and, therefore, is a disregarded entity for income tax purposes. Accordingly, the income or loss is included in the tax filing of CFG I and the accompanying statement of operations does not include a provision for federal income taxes or state income taxes in states that recognize the subchapter S corporation election. No formal tax sharing agreement exists.

The Company accounts for income taxes under standards that address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements as a reduction to income tax expense and related income tax liabilities. As of December 31, 2022, the Company recorded no liability for uncertain tax positions. The Company and its parent, CFG I, may still be subject to examination by the respective tax jurisdictions for tax years subsequent to 2017.

**Contribution of Capital:**

Historically, the Company has sustained losses and is dependent upon the willingness and ability of its parent and its owner to make capital contributions to fund the negative cash flows and/or meet the Company's net capital requirements for the next twelve months. CFG and its owner intend to continue to support the Company over the next twelve months. CFG contributed capital totaling \$14,600 during the year ended December 31, 2022.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Notes to Financial Statements (*in thousands*)**

**For the Year Ended December 31, 2022**

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**Note B - Related Party Transactions**

**Transactions with Affiliated Companies:**

The Company serves as a broker-dealer for related party publicly registered nontraded offerings as well as private placements. Certain officers of CFG and affiliates of the Company are also officers and directors of the public offerings and the private placements.

Pursuant to the dealer manager agreements between the Company and CNL Strategic Capital, LLC and CNL Sprott Strategic Asset Fund, LLC, the Company is entitled to receive selling commissions, dealer manager fees, and on-going distribution and shareholder servicing fees on gross offering proceeds raised.

	CNL Strategic Capital LLC	CNL Sprott Strategic Asset Fund LLC
<u>Class A</u>		
Selling commission (per share)	6.00%	6.00%
Dealer manager fee (per share)	2.50%	2.50%
<u>Class T</u>		
Selling commission (per share)	3.00%	3.00%
Dealer manager fee (per share)	1.75%	1.75%
Shareholder servicing fees (per share)	1.00% (1)	1.00% (2)
<u>Class D</u>		
Shareholder servicing fees (per share)	0.50% (1)	0.50% (2)
<u>Class S</u>		
Selling commission (per share)	N/A	3.00%
Dealer manager fee (per share)	N/A	1.75%
Shareholder servicing fees (per share)	N/A	0.35% (2)

(1) For CNL Strategic Capital LLC, the shareholder servicing fee is paid at an annual amount equal to 1.00% for class T and 0.5% for class D of the estimated net asset value per share, accrued daily and payable on a monthly basis in arrears.

(2) For CNL Sprott Strategic Asset Fund LLC, the shareholder servicing fee is payable at an annual amount equal to 1.00% for class T, 0.5% for class D and 0.35% for class S of the estimated net asset value per share, accrued daily and payable on a monthly basis in arrears.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Notes to Financial Statements (in thousands)**

**For the Year Ended December 31, 2022**

---

The Company reallows all selling commissions earned to participating brokers and dealers. In addition, the Company also receives a dealer manager fee, which may be reallocated to participating brokers and dealers.

The Company earned upfront commissions, dealer manager fees, and ongoing distribution and shareholder servicing fees from related entities for the year ended December 31, 2022 of \$1,808, \$939 and \$789, respectively. With certain purchases of shares, the upfront selling commission and/or dealer manager fee may be reduced or eliminated. At December 31, 2022, the Company had receivables for commissions and fees due from related parties of \$84. In August 2022, CNL Sprott Strategic Asset Fund, LLC decided to suspend sales and began a liquidation of the fund. There were no additional fees due after sales were suspended.

At December 31, 2022, the Company owed \$62 to CFG for amounts paid by CFG on behalf of the Company in excess of payments made.

Affiliates of CFG provide marketing, administration, technology systems, human resources, accounting, tax and compliance services to the Company. Costs are allocated based on the estimated cost of services utilized based on an expense sharing agreement. Amounts paid for these services amounted to \$1,182 for the year ended December 31, 2022 and are included in general and administrative expenses in the accompanying statement of operations.

**Note C – Property and Equipment**

As of December 31, 2022, property and equipment consisted of the following:

Computer software and hardware	\$	872
Office furnishings, fixtures and equipment		248
		<u>1,120</u>
Less: Accumulated depreciation and amortization		(1,114)
	\$	<u>6</u>

Depreciation and amortization expense amounted to \$15 for the year ended December 31, 2022 and is included in general and administrative expenses in the accompanying statement of operations.

**Note D – Capital Requirements**

The Company is subject to the rule 15c3-1 under the Securities Exchange Act of 1934. The rule provides that the Company is required to maintain a minimum net capital of the greater of \$25 or 6 2/3% of aggregate indebtedness. The net capital of the Company as of December 31, 2022 was \$834 and 6 2/3% of aggregate indebtedness was \$95. Excess net capital of the Company as of December 31, 2022 was \$739.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Notes to Financial Statements (*in thousands*)**

**For the Year Ended December 31, 2022**

---

The Company did not have any liabilities subordinated to claims of general creditors during the year ended December 31, 2022, and is exempt from rule 15c3-3 relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to (1) participating in offerings via subscriptions, in an offering for a fund sponsored by an affiliate, on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (3) did not carry accounts of or for customers; and (4) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

There were no material differences between the computation of net capital under rule 15c3-1 included in the unaudited FOCUS report and the computation of net capital in the accompanying Schedule I.

**Note E – 401(k) Plan**

Employees of the Company are included in CFG's defined contribution 401(k) plan (the Plan). The Plan is designed in accordance with the applicable sections of the IRC and is not subject to minimum funding requirements. The Plan covers all eligible employees of the Company upon completion of one month of service. Employees may elect to contribute up to a maximum of 90% of their salary under Internal Revenue Service regulations. The Company has a discretionary matching policy in which the Company generally matches 50% of the first 7% of each employee contribution for employees that have completed six months of service. For the year ended December 31, 2022, the Company's contribution amounted to \$244, and is included in salaries and benefits in the accompanying statement of operations.

**Note F – Obligations Under Operating Leases**

Under an expense sharing agreement with CFG, the Company has been allocated a portion of a non-cancelable operating lease. The lease provides for minimum monthly payments through July 2026, currently allocated at \$16 per month, including consideration for the escalation clause. Rent expense relating to the Company's square footage allocation of this lease agreement totaled \$193 for the year ended December 31, 2022, and is included in general and administrative expenses in the accompanying statement of operations.

The Company's allocation of future minimum lease payments as of December 31, 2022 is as follows:

Year ending December 31,		
2023	\$	224
2024		230
2025		237
2026		141
	\$	<u>832</u>

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Notes to Financial Statements (*in thousands*)**

**For the Year Ended December 31, 2022**

---

**Note G – Concentration of Credit Risk**

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and accounts receivable.

The Company maintains cash balances at financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250. At times during the year and at December 31, 2022, balances in these accounts exceeded the federally insured limits; however, the Company has not experienced any losses in such accounts.

Concentrations of credit risk with respect to accounts receivable and commissions and fees relates to the Company's business activity being substantially all from the sale of securities of affiliated entities (see Note B).

**Note H - Contingencies**

From time to time, the Company is party to various legal actions and regulatory inquiries arising in the ordinary course of its business. While the results of these matters cannot be predicted with certainty, management believes that the final outcome of such legal actions or regulatory inquiries will not have a material adverse effect on the Company's financial position.

The Company has been in discussions with FINRA since August 2018 pursuant to an inquiry FINRA initiated regarding its Rule 2310 and underwriting costs that may be deemed to exceed the permissible 10% of gross offering proceeds. In September 2018, the Company timely provided requested information and subsequently in July 2019 timely provided additional requested information. Since such date, FINRA has not submitted any additional requests or provided any correspondence related to the inquiry. The amount of the liability, if any, is unknown. Although FINRA has the right to impose a fine or other sanction if it deems the underwriting expenses were in excess of their permissible amount, it is difficult to ascertain a specific amount given the amount of time since the last inquiry from FINRA and the fact that the amount of an overage, if any was not borne by the shareholders of the offerings.

**Note I – Subsequent Events**

The Company evaluated all subsequent events through the date that the accompanying financial statements were issued and determined no material events that required recognition or disclosure.

**Supplemental Information**

---

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Schedule I – Computation of Net Capital Under Rule 15c3-1 of the Securities and  
Exchange Commission**  
**December 31, 2022**

---

Computation of Net Capital

Total Ownership Equity	<u>\$ 1,070,431</u>
Non-Allowable Assets:	
Prepaid expenses and other assets	215,029
Non-allowable receivables	15,012
Property and equipment, net	<u>6,355</u>
Total non-allowable assets	<u>236,396</u>
Net Capital	<u>\$ 834,035</u>

Computation of basic net capital requirement

Minimum net capital required (6 2/3% of aggregate indebtedness of \$1,1425,880)	95,059
Minimum dollar net capital requirement	25,000
Net capital requirement	95,059
Excess net capital	738,976
Excess net capital at 1000%	691,447
Percent: Aggregate indebtedness to net capital	171%


Note: There are no material differences between the preceding computation and the Company's unaudited part IIA of Form X-17a-5 as of December 31, 2022.

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial Group, Inc.)**

**Schedule II – Computation of Determination of Reserve Requirements and Information  
Relating to Possession or Control Requirements for Brokers and Dealers Under Rule  
15c3-3 of the Securities and Exchange Commission  
December 31, 2022**

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The Company is exempt from the provisions of Rule 15c3-3 as of December 31, 2022 under the Securities Act of 1934 (the “Rule”), relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to 1) participating in offerings via subscriptions, in an offering for a fund sponsored by an affiliate, on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (3) did not carry accounts of or for customers; and (4) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception. Accordingly, there are no items to report under this Rule.



Report of Exemption and Report of Independent  
Registered Public Accounting Firm

**CNL Securities Corp.**  
**(A Wholly-Owned Subsidiary of CNL Financial  
Group, Inc.)**

December 31, 2022



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder  
CNL Securities Corp.

We have reviewed management's statements, included in the accompanying exemption report, in which CNL Securities Corp. (a Florida corporation) (the "Company") identified the following provisions of 17 C.F.R. 240.17a-5(d)(1) and (4), under which the Company does not claim an exemption under paragraph (k) of 17 C.F.R. 240.15c3-3, and the Company is filing the Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 § C.F.R. 240.17a-5 because the Company limits its business activities exclusively to participating in offerings via subscriptions, in an offering for a fund sponsored by an affiliate, on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company, and the Company: (1) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (2) did not carry accounts of or for customers; and (3) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 § C.F.R. 240.17a-5 under the Securities Exchange Act of 1934.

We do not express an opinion or any other form of assurance on management's "Additional Information" section in the accompanying exemption report.

*Grant Thornton LLP*

Orlando, Florida  
February 24, 2023

## CNL Securities Corp. Exemption Report

CNL Securities Corp. (the “Company”) is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R § 240.17a-5, “Reports to be made by certain brokers and dealers”). This Exemption Report was prepared as required by 17 C.F.R. § 240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company does not claim an exemption from paragraph (k) of 17 C.F.R. § 240.15c3-3, and
- (2) The Company is filing this Exemption Report relying on Footnote 74 of the SEC Release No. 34-70073 adopting amendments to 17 C.F.R. § 240.17a-5 because the Company limits its business activities exclusively to 1) participating in offerings via subscriptions, in an offering for a fund sponsored by an affiliate, on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company; (2) did not directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, (other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 and/or funds received and promptly transmitted for effecting transactions via subscriptions on a subscription way basis where the funds are payable to the issuer or its agent and not to the Company); (3) did not carry accounts of or for customers; and (4) did not carry PAB accounts (as defined in Rule 15c3-3) throughout the most recent fiscal year without exception.

### CNL Securities Corp.

I, Tracy Turner, swear (or affirm) that, to my best knowledge and belief, this Exemption Report is true and correct.

By: Tracy J Turner

Financial Operations Principal, CNL Securities Corp.

February 24, 2023

### Additional Information:

As of May 21, 2021, in light of recent SEC and FINRA guidance issued in July 2020 addressing the various exemptions from the SEC’s Customer Protection Rule, and the related guidance SEC and FINRA suggesting that a broker-dealer may be considered a “Non-Covered Firm” under paragraph (k) of Rule 15c3-3 because it does not meet any of the exemptions provided for in paragraph (k), the Company amended its FINRA Membership Agreement representing that the Company does not and will not (1) directly or indirectly receive, hold, or otherwise owe funds or securities for or to customers, other than money or other consideration received and promptly transmitted in compliance with paragraph (a) or (b)(2) of Rule 15c2-4 under the 1934 Act, (2) carry customer accounts, and (3) carry proprietary accounts of broker-dealers as defined in Rule 15c2-4 under the 1934 Act.